

BEFORE THE IDAHO BOARD OF TAX APPEALS

ERICH STEINBOCK,)	
)	
Appellant,)	APPEAL NO. 15-A-1030
)	
v.)	FINAL DECISION
)	AND ORDER
BLAINE COUNTY,)	
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Blaine County Board of Equalization modifying the protest of valuation for taxing purposes of property described by Parcel No. RPS07190030150. The appeal concerns the 2015 tax year.

This matter came on for hearing September 22, 2015 in Hailey, Idaho before Hearing Officer Travis VanLith. Appellant Erich Steinbock was self-represented. Valdi Pace represented Respondent.

Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision.

The issue on appeal concerns the market value of a condominium unit.

The decision of the Blaine County Board of Equalization is affirmed.

FINDINGS OF FACT

The original assessed value was \$858,086. The Blaine County Board of Equalization reduced the value to \$838,348. Appellant contends the correct value is \$708,946.

The subject property is a 2,218 square foot two-story condominium unit situated in the Elkhorn Springs Creekside Terrace development located in Sun Valley, Idaho. The unit

includes an 80 square foot balcony and one (1) assigned space in the subterranean parking garage.

Subject's development consists of four (4) large buildings with multiple condominium units occupying each. The primary difference between the buildings is their elevation due to the sloped topography of the underlying land. Subject's building is the least elevated in the development. Subject is a 3rd floor unit.

The parties agreed an upper floor unit typically commands a higher sale price. Appellant, however, contended subject is not a typical 3rd floor unit because it lacks the view enjoyed by most other upper floor units. Due to its location in the building, subject's view, apart from the balcony area, is of the adjacent building, which sits less than twenty (20) feet away. Photographs from subject's master bedroom were offered to confirm the lack of view.

Appellant additionally provided information concerning three (3) sales from subject's development. Sale No. 1 involved a 2nd floor unit comprised of 2,267 square feet and a 200 square foot balcony. The unit, which enjoys open views of Dollar Mountain, sold in August 2014 for \$535,000. Sale No. 2 involved a 1,727 square foot 1st floor unit which sold for \$460,000 in July 2014. Appellant noted the 1st floor is elevated roughly fourteen (14) feet above ground level. This sale unit also included an 800 square foot terrace. Sale No. 3, situated on the 3rd floor, was a 2,511 square foot unit. Appellant noted the unit included two (2) parking spaces, three (3) large terraces, and open views of the surrounding landscape. Appellant further estimated this unit included upgrades worth approximately

\$100,000. The unit sold in February 2014 for \$1,100,000.

Respondent agreed subject's general views were greatly limited, however, pointed out the view from the balcony was better. Respondent also noted a downward adjustment of roughly \$20,000 was made to account for subject's view limitations. Any larger view adjustment, in Respondent's opinion, was not supported by available market data.

Respondent submitted three (3) condominium sales from 2014 in support of subject's assessed value. All the sales were located in the development, with two (2) being in subject's same building. Sale Nos. 1 and 2 both involved 3rd floor units. The first involved a 2,508 square foot unit and the second, which was upgraded, included 2,511 square feet. Respective sale prices were \$980,000 and \$1,020,000. Sale No. 3 concerned a 2nd floor unit 2,267 square feet in size. The unit sold for \$718,000. Respondent applied some adjustments to the sale prices for differences compared to subject such as size, location, upgrades, and floor level. Adjusted sale prices ranged from \$778,000 to \$953,360. Subject was assessed for \$838,348.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value, or as applicable exempt status. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value

annually on January 1; January 1, 2015 in this case. Market value is defined in Idaho Code § 63-201, as,

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

The three (3) primary methods of determining market value include the cost approach, the income approach, and the sales comparison approach. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Both parties in this case relied on the sales comparison approach, which is the approach often used to value residential property.

The parties agreed upper floor units in subject’s development typically sell at higher prices than those on the lower levels. Indeed, the sales information furnished by the parties bears this out. Respondent provided two (2) sales involving 3rd floor units which sold for \$980,000 and \$1,020,000, and Appellant provided one (1) with a reported sale price of \$1,100,000¹. The 1st and 2nd floor units sold notably less; between \$460,000 and \$718,000. For this reason, the Board relied heavily on the 3rd floor sales.

Admittedly, subject suffers an inferior view compared to the other 3rd floor units which sold. In addition, the higher priced 3rd floor unit was substantially upgraded. That being said, Respondent made adjustments to the prices of these sales to account for the

¹It appears Respondent’s Sale No. 2 and Appellant’s Sale No. 3 involved the same condominium unit. Respondent reported a sale price of \$1,020,000 and Appellant reported a price of \$1,100,000. The cause of the discrepancy is not apparent in the record, however, the difference was of little relevance in the Board’s final analysis.

differences. A reduction of \$100,000 was made to the upgraded unit, and location and size adjustments were also applied where appropriate. Respondent further explained subject's value was reduced by roughly \$20,000 to account for the restricted view. It is important to note subject's assessed value is approximately \$100,000 less than the adjusted prices of the 3rd floor sales. From the Board's perspective, subject's unique characteristics were adequately considered and factored into the assessment.

In accordance with Idaho Code § 63-511, Appellant shoulders the burden of proving error in subject's valuation by a preponderance of the evidence. The Board did not find the burden of proof satisfied in this particular instance. Respondent's valuation was judged to be reasonable and reflective of subject's current market value.

Based on the above, the decision of the Blaine County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Blaine County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 29th day of December, 2015.